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For immediate release

## Eastspring Investments' launches Malaysia's first Investors' Growth and Income Index

**Kuala Lumpur (14 November 2013)** – Eastspring Investments, the Asia asset management arm of UK-based Prudential plc, today announced Malaysia's first 'Growth and Income Index' together with the findings of its Unit Trust Fund Investor Behaviour Study.

The Growth and Income Index offers insights into the asset allocation plans of Malaysian unit trust fund investors for the next six months.

The index, with a score of 46\*, shows that there is an allocation preference over income funds among Malaysian current and intended fund investors in the next six months.

"Our study shows that Malaysian unit trust fund investors are continuously searching for yield and increasingly looking at alternative options, such as Asian multi asset income funds and global high yield bond funds to capture income and returns in the next six months," said Mr Alvin Chiu, Head of Marketing, Eastspring Investments.

"Malaysian investors are known for their eagerness to stay abreast of investment information and their proactiveness in managing their portfolios," said Lynn Cheah, Chief Executive Officer of Eastspring Investments Berhad in Malaysia. "According to the survey, fund investors in Malaysia, particularly the unit trust fund intenders, are keen on increasing their allocation in income funds. This is an important indicator for the asset management industry, as well as for Eastspring Investments when it comes to product offerings in Malaysia."

Eastspring Investments' research is based on 300 interviews with Malaysian unit trust fund investors in July 2013.

According to the research, Malaysian income fund investors show a clear preference for Asian high dividend equities (45%) and Asian bonds (40%) over other income fund categories.

In the next six months, Malaysian unit trust fund investors are planning to move away from these two categories, a decrease of 1% and 11% respectively, and reallocate their investments into Asian multi asset incomes (+12%), global high yield bonds (+8%), global multi asset income (+7%) and global high dividend equities (+5%).

### *Investment portfolio*

In terms of asset allocation, Malaysian unit trust fund investors on average have 43% of their capital investing in unit trust funds, the highest among all the countries covered in this research (Singapore, Taiwan, Hong Kong and

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Malaysia remains the most popular investment destinations for Malaysian unit trust fund investors. In the next six months, however there is expected to be a moderate increase in interest in the global (+5%) and emerging markets (+5%).

Slightly more than half of Malaysia's unit trust fund holders make their investments through a regular savings plan, and most investors conducted a regular yearly portfolio review.

### *Confidence and attitude*

Malaysian unit trust fund investors have the most confidence in cash and real estate –much higher than other countries. The outlook for alternatives and bonds in the next six months is also expected to improve, hinting at a possible shift towards a income orientation in the future.

### *Understanding of investments*

The findings reveal that only 27% of income fund investors in Malaysia claim that they fully understand the risks involved in the income funds they are currently investing in. Out of this group of investors, 43% however agree that "All bond funds are the same and low risk" which is an incorrect statement. This highlights the need of investor education among investors in Malaysia. Majority of the investors are actively looking for more information on income funds, and they prefer to receive regular updates and news from fund managers and read more on internet where people discuss about it.

"Our forward-looking study will not only help us keep abreast of unit trust fund investor attitudes and preferences but also help us to develop products and investor education programmes to suit their needs," said Mr Chiu.

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\* **The Growth-Income Index** is a one number score that describes the net direction of preferences of unit trust fund investors (including those intending to invest in unit trust funds) as either shifting toward income funds or shifting toward growth funds in the next six months.

**The Eastspring Investments Unit trust Fund Investor Behaviour Study** is an annual survey designed to track current asset allocation and investment attitudes of unit trust fund investors, understand the key drivers of decision making, measure market confidence, and evaluate investment intentions for the next six months. The study was conducted in July 2013 and involved online interviews with 1501 investors in Hong Kong, Singapore, Malaysia, Taiwan and Korea.



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### About Eastspring Investments:

Eastspring Investments, part of Prudential Corporation Asia, is Prudential's <sup>1</sup> asset management business in Asia. It is one of Asia's largest asset managers, with operations in 14 markets (including offices in the US, Luxembourg and now, in the UK), just under 2,000 employees in Asia and about US\$94 billion (£62 billion) in assets under management (at June 30, 2013).

More than one-third of Eastspring Investments' total assets are sourced from third party clients including a wide range of retail and institutional investors. Eastspring Investments also manages the assets of life and pension products sold by Prudential plc in the UK, the US and across Asia.

Eastspring Investments operates in Japan, Malaysia, Singapore, South Korea, Taiwan, Hong Kong, the United Arab Emirates, Vietnam and Indonesia, and has joint venture operations in India, China and Hong Kong. The business opened a US sales operation in 2012 and established a management company in Luxembourg earlier this year.

Together with Eastspring Investments, Prudential Corporation Asia (PCA) comprises the life insurance businesses of Prudential plc in Asia spanning 13 markets: Cambodia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, and Vietnam. Prudential plc is an international financial services group with operations spanning Asia, the US and the UK.

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For more information on Eastspring Investments, please visit:  
[www.eastspringinvestments.com.my](http://www.eastspringinvestments.com.my)

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<sup>1</sup> Prudential plc, incorporated and with its principal place of business in England, and its affiliated companies constitute one of the world's leading financial services groups and has been in existence for over 160 years. It provides insurance and financial services directly and through its subsidiaries and